

Travel Montana

5-Year
Marketing Plan
July 1998
through
June 2003

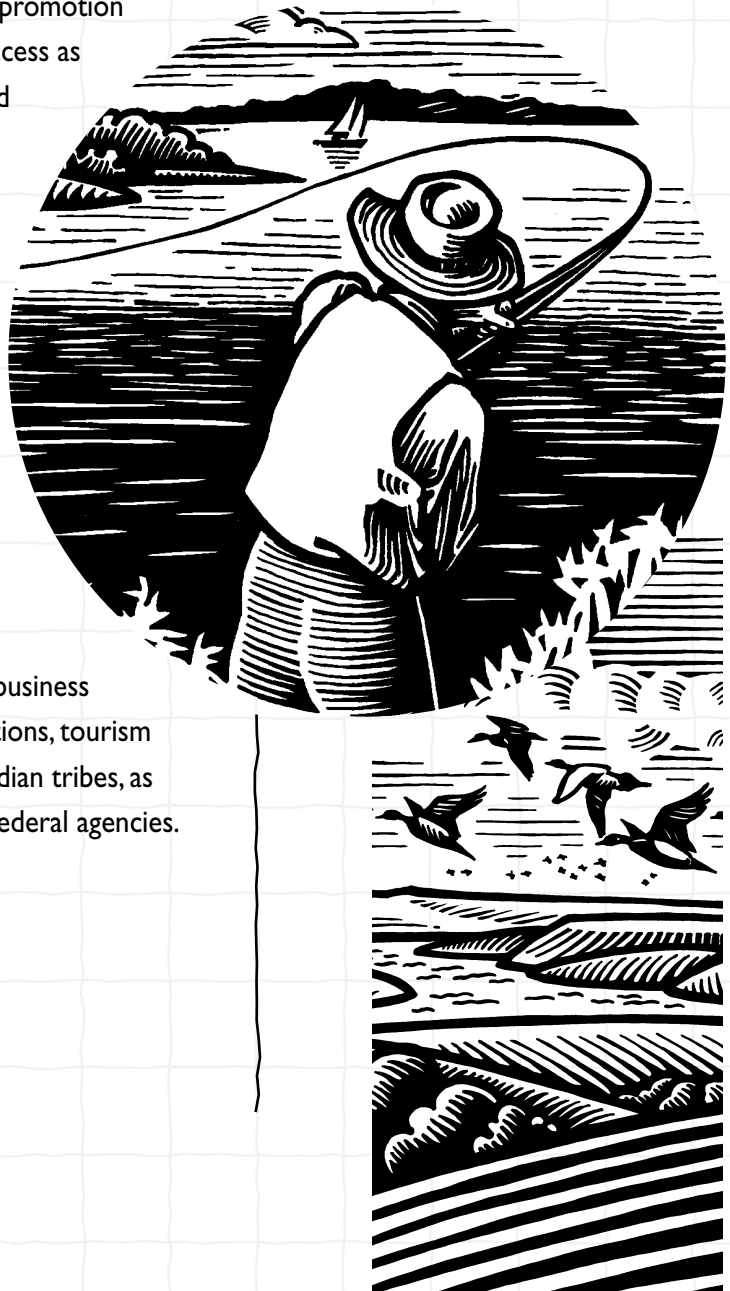


Background

In January of 1996, Montana's Tourism Advisory Council (TAC) commissioned the Institute for Tourism and Recreation Research (ITRR) at the University of Montana to develop the state's second 5-Year Strategic Plan (FY99 - FY03) that would guide the growth of Montana's Travel & Tourism Industry in a positive, responsible direction.

The original 5-year plan, built in 1992, was designed to give Montana's travel industry and resource managers a common goal to pursue in the state's tourism promotion and development. The plan proved to be a success as Montana's travel industry remains a healthy and valuable contributor to the state's economy (see Economic Impact on page 2). Because of its success and continued relevance, the original plan was used as a model in the development of this new plan. In addition, the planning process revealed that the travel industry must remain adaptable, flexible and timely in addressing current needs.

More than 500 Montanans participated in the new plan by identifying key travel issues facing the state. Participants included travel-related business operators, members of travel industry associations, tourism regions, convention and visitor bureaus, and Indian tribes, as well as legislators and officials from state and federal agencies.





These key travel issues were prioritized into goals at various meetings and conferences over the past two years. The goals that emerged were grouped under five overall themes. Action areas were then categorized under the appropriate goal. Organizations charged with working to address those areas were identified as stakeholders.

Travel Montana, of course, is a key stakeholder. And as a stakeholder, we need to determine processes for addressing the action areas for which we are responsible. This “Five-Year Marketing Plan” overviews this process as well as the methods used for evaluating, assessing and adjusting promotional efforts, or what could be called the “strive for continuous improvement.”

It is also important to mention that Travel Montana must have the continued participation and cooperation of industry partners (other stakeholders) who provide tourism products and services. Effective partnerships are the key to the future of Montana’s travel industry and that perception will be quite obvious throughout this plan.

Ultimately, the implementation of these processes, along with the contribution and cooperation of other stakeholders, will help accomplish the overall goals determined by the industry members.

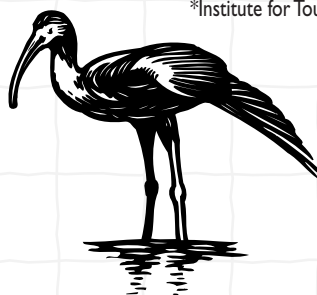
Economic Impact

Travel and tourism in Montana is a growth industry – one of the keys to our state’s economic development – and the impact it has on Montana is extraordinary. Economic benefits begin when a visitor to Montana spends money on such things as lodging, meals, gasoline, souvenirs, various retail goods, and visiting a national park or other attraction. This initial round of spending is referred to as a direct expenditure.

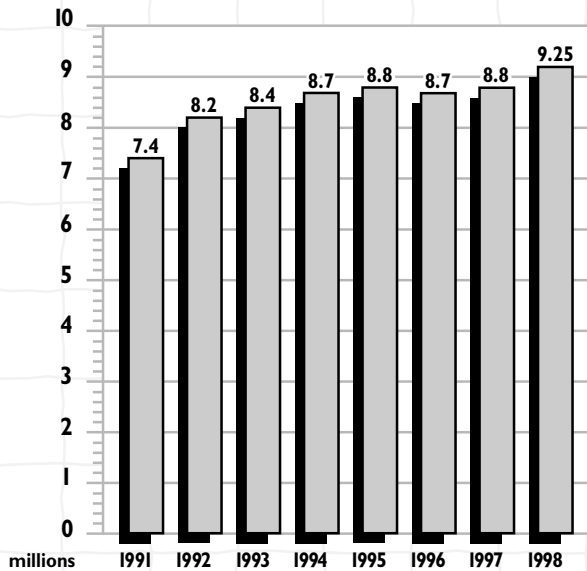
A direct expenditure creates a ripple effect in the Montana economy. The businesses receiving these dollars use them to pay salaries, to purchase goods and services for the business, and to pay taxes. The individuals and businesses receiving those moneys, in turn, spend them on goods, services and taxes. The combined impact of these several rounds of spending is referred to as the indirect effect of direct expenditures.

Montana hosted 9.25 million visitors in 1998, a jump of 5% from the previous year and an increase of 25% since 1991. The 1998 average group size was 2.4 people for a total of 3.85 million groups. These 9.25 million visitors spent \$1.52 billion during their stay. Between 1991 and 1998, nonresident visitor expenditures grew 23% from \$1.24 billion to \$1.52 billion*.

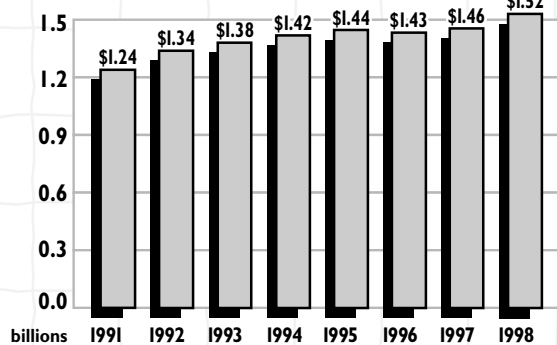
*Institute for Tourism and Recreation Institute (ITRR)



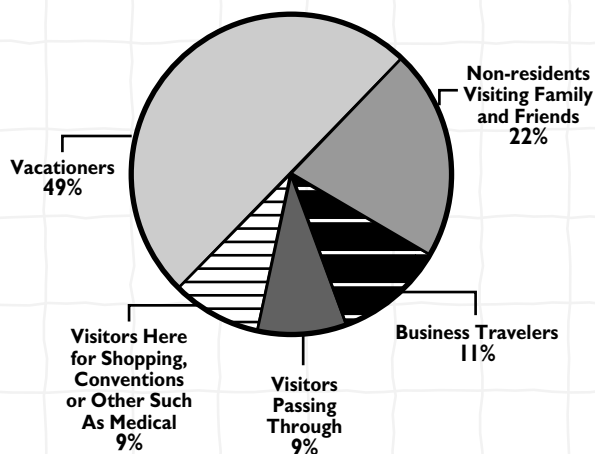
Nonresident Visitors up 25% from 1991*



Nonresident Visitor Expenditures up 23% from 1991*

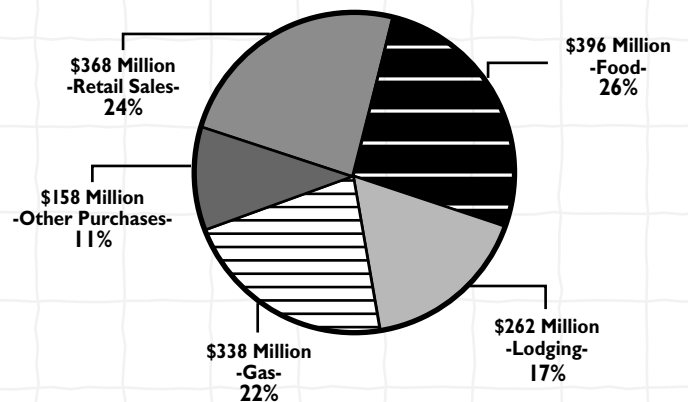


Breakdown of Visiting Groups*



Where does all of this money go once it is in Montana's economy? The economic benefits to Montana are widespread. In 1998, expenditures made by non-resident visitors provided 28,500 jobs with total employee compensation exceeding \$423 million. This amounts to 5% of all the jobs and more than 4% of total employee compensation in the state. **

Where Expenditures Go*



Segments of Montana's travel industry that create these jobs include national parks, ski areas, ranches, resorts, museums, restaurants, shopping malls, golf courses, campgrounds, fairs and festivals, outfitters, hotels and motels. In addition, some of the non-travel industries that travel stimulates include agriculture, food processing and construction.

* ITRR

** Montana Department of Labor

Budget/Funding

Montana's dramatic tourism growth since 1988 is directly tied to the Montana Legislature's 1987 creation of a dedicated accommodations tax. Montana funds its travel and tourism marketing programs solely from this source, with no dollars from the state's general fund. The existence of this funding, and the valuable promotional efforts it has allowed, are essential to maintaining and increasing tourism growth with widespread economic benefits to all Montanans.



Accommodations Tax Funding Revenue FY99

Projected Lodging Tax Revenue	\$9,857,454
Historic Preservation Commission (Virginia City)	(\$400,000)
Department of Revenue (tax collection costs and reimbursement to general fund of tax paid by state employees)	(\$283,724)
Available for Distribution	\$9,173,730



Use Of Funds

(distribution formula determined by the legislature)

State Parks Operation & Maintenance - 6.5%	(\$596,292)
University System - 2.5% (Tourism and Recreation Research)	(\$229,343)
Historical Society - 1% (Historical Sites and Signage)	(\$91,737)
Regions/CVBs	
Tourism Marketing - 22.5%	\$2,064,089
Travel Montana Programs - 67.5%	\$6,192,268

Travel Montana FY99 Budget

Funds Available from	
Accommodations Tax	\$6,192,268
Income from Ad Sales, Co-op Projects, Training, Etc	\$725,275
Community & Infrastructure Grant Programs	(\$314,000)
Legislatively Mandated Support for the Montana Trade Program	(\$200,000)
Legislatively Mandated Support for Tours of the Capitol & Original Governor's Mansion Restoration	(\$75,000)
Total Funds Available	\$6,328,543



It is the goal of Travel Montana to utilize the accommodations tax monies in a cost-effective manner to promote the state's tourism industry. It is the role of the Montana Legislature to review the allocation of the tax. Although some minor revisions have been enacted since the tax's inception in 1987, the tax structure has remained relatively unchanged.



Priority Tourism Issues



Five priority issues consistently emerged from the discussions and input during the strategic planning process. Stakeholders recognized these issues as critical to the continued success of Montana's travel industry. Summarized, they are:

1. Development of sustainable tourism while maintaining quality of life and protecting natural, cultural and recreational resources.

The Montana travel industry recognizes that our natural, historical and cultural resources offer visitors an array of outstanding and unique travel experiences.

The desire for the growth of tourism development and promotion is widespread across the industry. However, it is a priority to balance this growth with not only the preservation of our heritage and culture, but their enhancement as well.

2. Development and maintenance of quality infrastructure.

To stimulate growth while keeping the balance discussed above in mind, it is important for the travel industry to take a leading role in the development of new tourism-related products and improve those already in existence. State parks, highways, air transportation, rest areas, visitor information centers, tourism information systems, and the network of public and private facilities, attractions and events are just a few examples that merit this attention.

3. Diversified long-range funding sources for tourism development.

The existence of the accommodations tax and the valuable promotional efforts it has funded have been catalysts for the advancement of tourism in the state. Funding is, and most likely always will be, a critical issue facing the travel industry.

"More with less" is not an uncommon view in today's extremely competitive business environment, especially within state government. As promotional and operating expenses continue to rise at a faster rate than Travel Montana's budget, it is important to find other opportunities for additional or alternative funding sources (i.e. partnerships).

4. Extension of the benefits of tourism throughout Montana.

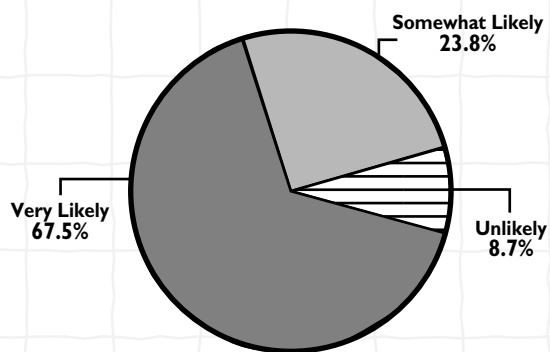
Diversifying Montana's tourism product to effectively include the entire state and encourage travel during non-peak seasons remains an issue for the travel industry. Visitor capacity in heavily traveled parts of the state during the peak summer season can be a nuisance for both our non-resident and resident travelers. There is a continued need to diversify seasonal and geographical visitor patterns through the development and promotion of the shoulder seasons, winter vacations, historical and Native American tourism, and less traveled areas of the state.

5. Quality visitor experiences.

Providing the very best possible experience for all guests will always be a basic fundamental issue of the travel industry. This is an on-going process of continuous improvement and as travelers' needs change, so should the methods for providing that quality. What exceeds a traveler's expectations today will be what he expects tomorrow. This ability to adapt or be flexible in meeting travelers' needs must be widespread across Montana.

There is evidence that Montana's travel industry is satisfying visitors. Almost 92% of visitors said they would consider returning to Montana while nearly 70% said it was "very likely" that they would return.*

Likelihood of Another Trip to Montana*



Marketing Objectives

Twelve marketing objectives have been defined to guide the efforts of Travel Montana over the five-year period covered by this plan. These objectives reflect the promotional needs identified by the priority issues.

1. Focus the promotion and development of Montana's travel industry on our natural, historical, cultural and recreational resources.

In order to reach this objective, Travel Montana will –

❖ Continue to develop resource-based marketing campaigns that will enhance Montana's image as a magical place and convey the powerful emotion of the land. Creative themes will appropriately depict the wonders and variety of Montana's landscapes and outdoor activities. They will also feature prominent historical and cultural personas and places (Lewis and Clark, Charlie Russell, Virginia City, Nevada City, etc.) to reach specific audience segments.

❖ Expand and develop partnerships with new and existing private, city, county, state, tribal, federal and international groups. Travel Montana will actively seek sponsorships with private companies that may be able to invest marketing dollars into programs.

*Travel Montana's FY98 Warm Season Magazine Conversion Study



- ❖ Promote existing resources such as the Lewis and Clark Interpretive Center, Virginia City and Nevada City, and major museums.
- ❖ Develop attractions based on emerging themes, demand, research and resource conditions.



2. Utilize effective research.

**In order to reach this objective,
Travel Montana will –**

- ❖ Develop a long-range research plan that allows for the delivery of relevant data in a timely and cost-effective manner. This plan will include a timetable and a listing of the type of projects to be completed. It will also include a listing of what sources can do the research work and an overview of the funds that will be dedicated toward research over the next five years.

3. Develop the facilities to support more visitors.

**In order to reach this objective,
Travel Montana will –**

- ❖ Work with the National Park Service and others in developing workable solutions to address the impacts of rebuilding or repairing the Going-to-the-Sun Road.
- ❖ As funding allows, continue providing infrastructure and development grants to local communities and attractions to enhance visitor options and experiences.
- ❖ Work with the Lewis and Clark Bicentennial Commission in helping communities plan for infrastructure needs for the upcoming event and beyond.
- ❖ Continue to provide educational programs in cooperation with the university system, Department of Agriculture and others to help develop travel-related business opportunities for Montana citizens.

4. Support the accommodations tax in a proactive manner.

**In order to reach this objective,
Travel Montana will –**

- ❖ Educate legislators, local government entities and citizens as to how the tax functions and the benefits that are derived from it.

- ❖ Ensure that consideration for impacts on the tourism industry is recognized as a matter of policy on both the state and federal level.

5. Promote and develop the entire state for tourism opportunities.

In order to reach this objective, Travel Montana will –

- ❖ Continue to stress the diversity of travel experiences in Montana in all publications, electronic information systems and marketing efforts.
- ❖ Using relational database marketing techniques, identify consumer preferences for a variety of travel interests, and market specifically to those individuals.
- ❖ Continue to work with travel journalists (writers and television) in identifying topics of interest that result in articles and shows in targeted media.
- ❖ Work with Native American tribal governments to enhance tourism potential on the reservations.
- ❖ Improve convention marketing efforts to attract medium-to-large sized conventions to Montana on a year-round basis.
- ❖ Maintain a strong, viable film commission and continue to attract major motion picture productions to the state. This is an immediate short-term economic benefit that becomes an excellent marketing tool for the state.

6. Continue appropriate rural tourism development.

In order to reach this objective, Travel Montana will –

- ❖ Work with the Extension Service and other appropriate agencies to educate, develop and promote rural tourism opportunities.
- ❖ Enhance marketing efforts to supplement the increase of rural tourism opportunities.

7. Increase visitor expenditures.

In order to reach this objective, Travel Montana will –

- ❖ Focus marketing efforts on targeting visitors who tend to stay longer and utilize a variety of goods and services.
- ❖ Utilize information delivery systems (Internet) that allow for increased interaction with potential visitors.
- ❖ Identify repeat visitors and develop marketing programs specific to this segment.
- ❖ Encourage a diversity of activities and events that prolong visitor stays.
- ❖ Enhance marketing efforts to historic/cultural travelers.

8. Develop and promote the Lewis & Clark Bicentennial.

In order to reach this objective, Travel Montana will –

- ❖ Work with the Lewis and Clark Bicentennial Commission in helping communities plan for infrastructure needs for the upcoming event.
- ❖ Coordinate marketing activities with neighboring states that help to maximize promotional opportunities and resources, both domestically and internationally.
- ❖ Develop thematic advertising and promotional materials focusing on the event. Ensure that marketing efforts are consistent with the goals of the Lewis and Clark Bicentennial Commission and local communities.
- ❖ Work with state and federal agencies to coordinate resource and marketing expenditures on bicentennial events.

9. Track customer (guest) satisfaction.

In order to reach this objective, Travel Montana will –

- ❖ Utilize existing research from relevant sources to understand consumer preferences and needs.
- ❖ Develop internal systems with the Internet and telephone call center that allow for interaction and monitoring of opinions and views.

- ❖ Perform periodic focus group testing in major markets to solicit opinions and views of Montana from existing visitors.

10. Encourage guest service training through educational programs.

In order to reach this objective, Travel Montana will –

- ❖ Continue to work with trade groups and others in promoting customer service training for frontline employees.
- ❖ Promote the Superhost program in Montana tourism regions and communities.
- ❖ Provide necessary materials to enhance programs like “Teens in Tourism.”





11. Recognize and address the needs of international travelers.

In order to reach this objective, Travel Montana will –

- ❖ Continually monitor international visitation to Montana, identifying major markets and areas of interest.
- ❖ Develop foreign language literature in cooperation with partners as appropriate.
- ❖ Utilize technology to reduce operating and fulfillment costs while increasing the speed and accuracy of information delivery to overseas guests.
- ❖ Provide regular educational seminars to the industry on the needs of foreign visitors.
- ❖ Encourage the use of standardized signing using recognized and acceptable international symbols where appropriate.

12. Develop effective delivery of travel information through technology and partners.

In order to reach this objective, Travel Montana will –

- ❖ Expand electronic information systems allowing for wider access to travel information at reduced costs.
- ❖ Integrate database applications so that a single entry updates all systems, and entries/ additions can be made on a local level.
- ❖ Improve the Travel Montana Internet system, allowing for a wider dissemination of pertinent material at reduced costs and improved efficiency.
- ❖ Develop the marketing capabilities of the electronic information system.

A Direction For Implementation

This Five-Year Marketing Plan was developed to provide direction for Travel Montana, but is not intended to outline every strategy or program that might be employed to achieve the stated objectives. The marketing objectives outlined here, as well as suggested actions outlined in the Industry Strategic Plan, will be used each year to guide the development of Travel Montana's specific strategies and programs. This specific detail will be provided in Travel Montana's annual marketing plans.

Travel Montana Mission Statement

Travel Montana's mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location. By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.

